Introduction to Entrepreneurship

- Entrepreneurship
  - Conceiving an opportunity to offer new-or-improved goods or services
  - Showing the initiative to pursue that opportunity
  - Making plans
  - Mobilizing the resources necessary to convert the opportunity into reality.
- What about intrapreneurship?
Four Steps of Mainstream Entrepreneurship

Step 1: Identifying opportunities
- Envisioning offering a product or service that meets a need that people are willing to pay for.
- Address changes in the task, macro, or international environments to maximize the financial return of wealth within acquisitive economics.

Step 2: Showing entrepreneurial initiative
- Entrepreneurs who, because of their personality traits, have a predisposition to see financial opportunities, a need for achievement, and self-confidence coupled with life-path circumstances (transition, push, pull).

Step 3: Developing plans
- Plans for the new venture emphasize financial costs and benefits.

Step 4: Mobilize resources
- Focus is especially on attracting the required start-up financing.

Four Steps of Mainstream Entrepreneurship (cont’d)

- Step 1: Identify opportunities
  - To create a need and offer a product or service people are willing to pay for.
  - Address changes in the task, macro, or international environments.
  - To maximize the financial return of wealth within acquisitive economics.
Four Steps of Mainstream Entrepreneurship (cont’d)

• Step 2: Show entrepreneurial initiative
  – Predisposition to see financial opportunities
    • Need for achievement
    • Self-confidence
  – Life-path circumstances:
    • In times of transition
    • Being pushed away from the status quo
    • Being pulled into an entrepreneurial venture

Figure 6.2: Factors That Influence the Likelihood of Exhibiting Entrepreneurial Initiative

What Do You Think?
Why Are Some People More Likely To Show Entrepreneurial Initiative?

• What factors do you think account for the differences across genders and ethnic backgrounds?
• Do you think there are significant differences across other demographic factors like age or socio-economic status? If so, why?
Four Steps of Mainstream Entrepreneurship (cont’d)

• Step 3: Develop a plan for new venture
  – Emphasis is on financial costs and benefits.
  – Benefits of planning
    • Thinking through all aspects of the new venture
    • Forces setting of milestones and goals
    • Helps win support of stakeholders

Table 6.1: The Five Parts of a Mainstream Plan for a New Venture

<table>
<thead>
<tr>
<th>Part</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Summary: Identify the opportunity and highlight how it enhances the financial well-being of investors.</td>
</tr>
<tr>
<td>2.</td>
<td>Concept of the new venture: Specify the unique need in the economic context of customers and other organizations, and describe how the new venture’s goods or services will meet that need.</td>
</tr>
<tr>
<td>3.</td>
<td>Competitive analysis: Highlight the strengths and skills of team members.</td>
</tr>
<tr>
<td>4.</td>
<td>Operations: Specify all of the resources required, along with their expected financial costs.</td>
</tr>
<tr>
<td>5.</td>
<td>Timeline, projected performance, and contingency plan: Focus on projected financial performance over time.</td>
</tr>
</tbody>
</table>


Four Steps of Mainstream Entrepreneurship (cont’d)

• Step 4: Mobilize resources
  – Focus is on attracting the required start-up financing.
  – Sources of funding:
    • Debt financing (borrowing)
    • Equity financing (investing)
    • Venture capitalist (ownership)
Four Steps of Multistream Entrepreneurship

<table>
<thead>
<tr>
<th>Step 1: Identifying opportunities</th>
<th>Envisioning offering a product or service that meets or eliminates needs that people have.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2: Showing entrepreneurial initiative</td>
<td>Entrepreneurs who, because of their personality traits, have a predisposition to see opportunities that enhance multiple forms of well-being, a need to help, and confidence in their community coupled with life-path circumstances (transition, push, pull).</td>
</tr>
<tr>
<td>Step 3: Developing plans</td>
<td>Plans for the new venture emphasize financial, social and ecological costs and benefits.</td>
</tr>
<tr>
<td>Step 4: Mobilize resources</td>
<td>Focus is especially on attracting support from other stakeholders.</td>
</tr>
</tbody>
</table>

Four Steps of Multistream Entrepreneurship (cont'd)

- Social Entrepreneurship
  - Conceiving an opportunity to provide social value
  - Relentlessly pursuing that opportunity while being accountable to relevant stakeholders
  - Continuously learning from and improving upon plans
  - Mobilizing the resources to sustainably convert the opportunity into reality.

Four Steps of Multistream Entrepreneurship (cont’d)

- Step 1: Identify opportunities
  - To offer a product or service that meets or eliminates needs that people have
  - To can enhance a variety of forms of well-being (a different way of “seeing”)
What Do You Think?
Is There a Difference Between “Green” and “Clean”?

• Does a new business have to be green to be clean, and vice versa?
• Do you think there will be differences in how Mainstream vs. Multistream entrepreneurs manage “green” and “clean” aspects of new ventures?

Four Steps of Multistream Entrepreneurship (cont’d)

• Step 2: Show entrepreneurial initiative
  – Predisposition to see financial opportunities
    • Need for achievement of something intangible but significant
    • Self-confidence in the community
  – Life-path circumstances:
    • Seeking a transition to voluntary simplicity to escape a materialist-individualist status quo
    • Being a whistleblower or intrapreneur
    • Pulled by others into an entrepreneurial venture

Four Steps of Multistream Entrepreneurship (cont’d)

• Step 3: Develop a plan for the venture
  – Emphasis
    • Use of tacit knowledge, divergent thinking, and involvement of stakeholders
  – Limitations of planning
    • May be irrelevant and constraining
    • Limits experimentation
    • May no longer apply to the situation
  – Focus is on the triple bottom-line approach
Multistream Business Plan

1. Summary
   - Describes how the venture will enhance financial well-being and other forms of well-being.

2. New Venture Concept
   - Considers what are the venture’s strengths, weaknesses, opportunities and threats in light of ecological or social concerns and sustenance economics.

Multistream Business Plan (cont’d)

2. Management Team
   - Describes the involvement of key external stakeholders in the design and on-going operation of the organization.

3. Operations
   - Describes how the venture will limit its ecological footprint (ecopreneurship) in conduction its business activities.
Multistream Business Plan (cont’d)

4. Timeline, Financial Projections and Contingency Plans
   – Describes how the venture will supplement financial concerns and measures with social and ecological measures.
   – Contingency plans will include social and ecological contingencies.

Table 6.2: Comparing Mainstream and Multistream Plans for New Ventures

<table>
<thead>
<tr>
<th>Phase of Plan</th>
<th>Multistream Approach</th>
<th>Mainstream Approach</th>
</tr>
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<tbody>
<tr>
<td>Summary</td>
<td>Identifies opportunities and highlights how the financial sustainability of the venture is achieved.</td>
<td>Specifies the venture’s goals and objectives, and identifies the financial resources that will be required.</td>
</tr>
<tr>
<td>Concept of the new venture</td>
<td>Specifies the venture’s goals and objectives, and describes how the venture will be structured and operated.</td>
<td>Specifies the venture’s goals and objectives, and identifies the financial resources that will be required.</td>
</tr>
<tr>
<td>Management team</td>
<td>Identifies the strengths and roles of management.</td>
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<td>Identifies the resources required, along with their expected financial costs.</td>
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Four Steps of Multistream Entrepreneurship (cont’d)

- Step 4: Mobilize resources
  - Focus is on non-financial resources
    - Good relationships with stakeholders can reduce the need for financial resources.
  - Resources:
    - Social networks
    - References
    - Consumers
    - Key stakeholders

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